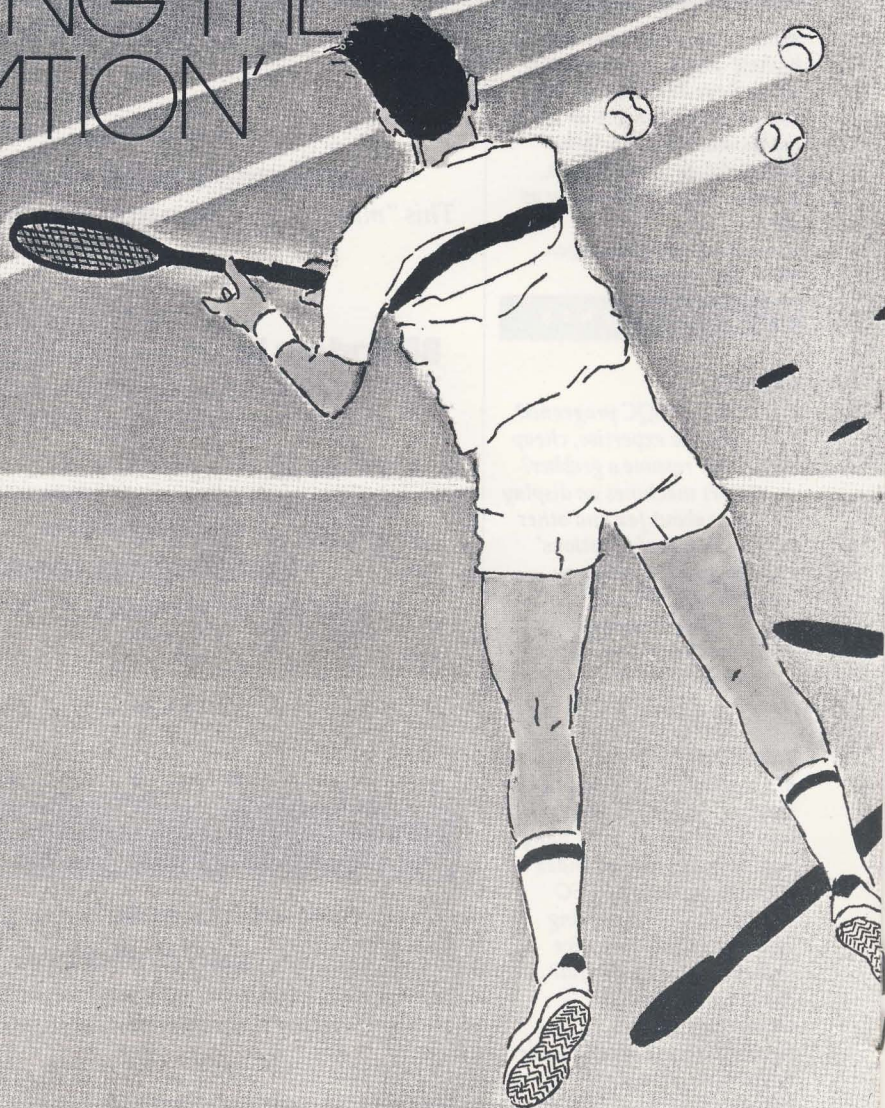
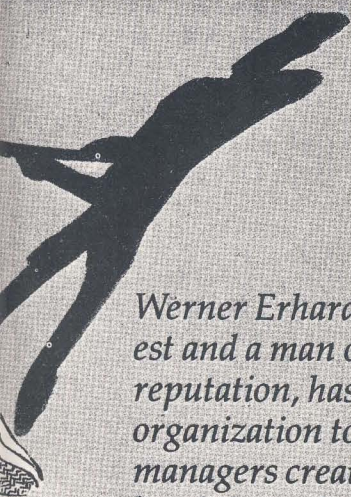
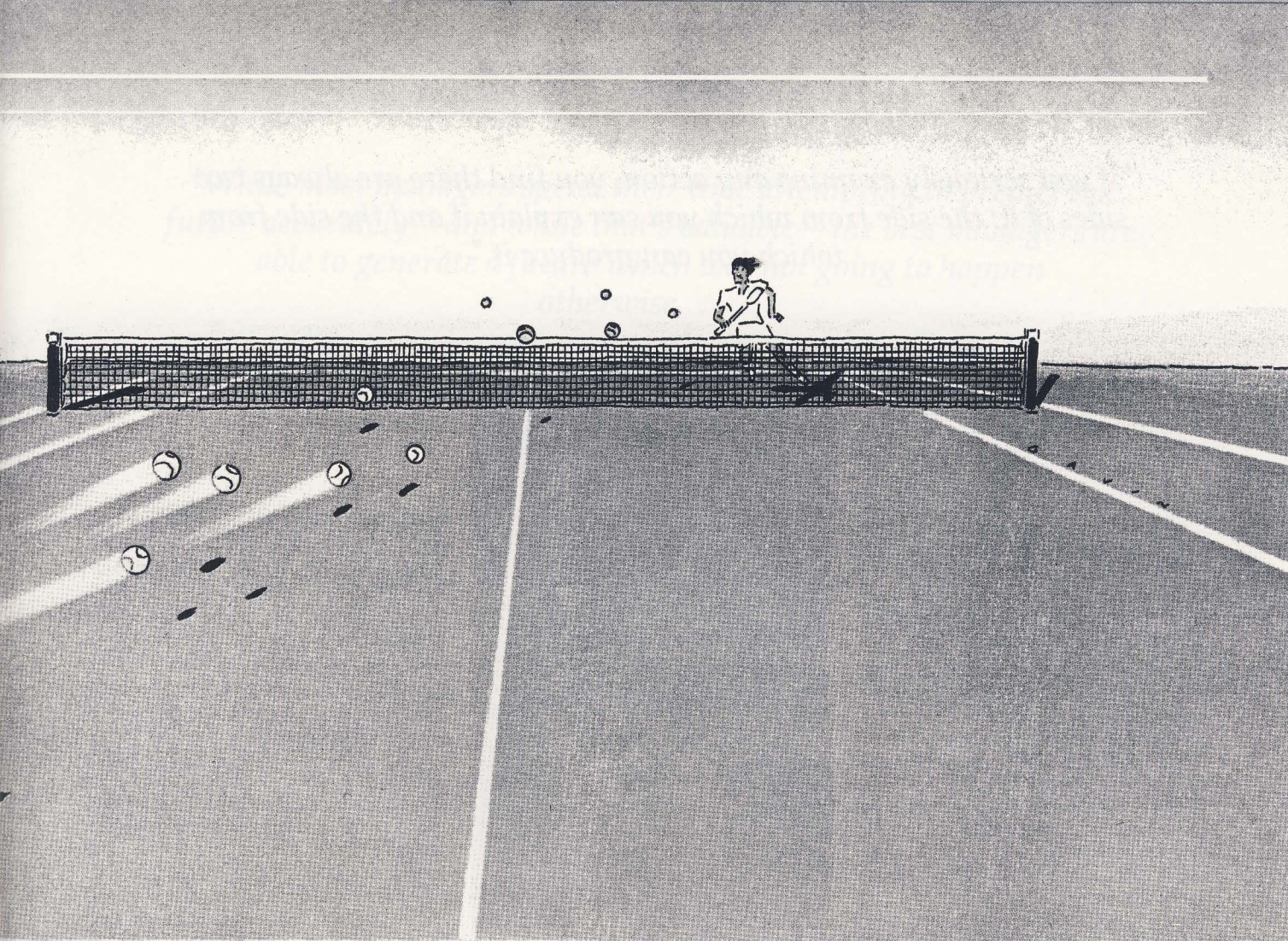


CREATE BREAKTHROUGHS IN PERFORMANCE BY CHANGING THE 'CONVERSATION'

By PERRY PASCARELLA





Werner Erhard, creator of est and a man of mixed reputation, has developed an organization to help managers create breakthroughs in performance. Is he establishing just another fad? Or will he help create the magnitude of change that many organizations desperately need? Sample his line of thinking and see what you think.

Illustration: Kerry Gavlin

The net looks only one foot high. The service court seems as large as an airfield—I can't miss it. My racket swings over and "through" the ball to drive a serve that pulls my opponent wide to his forehand side and I strike again in no time to smash his return out the open back corner. A great feeling!

I try to remember the action—reconstruct, analyze, and explain it. But I know that won't ensure I'll repeat it.

And then there are times when that opposite court looks tiny, the net looms ten feet high, and the ball is a pea traveling at mach 1.

The court, the net, and the ball are all real. Yet the way they occur for me changes dramatically from a

good day to a bad day. While reality doesn't change, the way it occurs for me does. Could I control that shift in my experience so I could consistently play well? Could I really make that shift happen?

We try to improve our performance by analyzing and evaluating action, producing a prescription for what should be done, and then training ourselves to do a little better. But if we want a dramatic breakthrough in performance, it seems we need a totally different approach.

In his work to develop an approach to performance that will predictably produce breakthroughs, Werner Erhard says, "If you seriously examine any

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action, you find there are always two sides of it: the side from which you can explain it and the side from which you can produce it. After a recent two-day rise in the stock market, for example, I read an article that masterfully described that rise, analyzed it, and explained it. However, even though I now fully understand what happened, I am not going to bet my life savings on my ability to predict the next one.

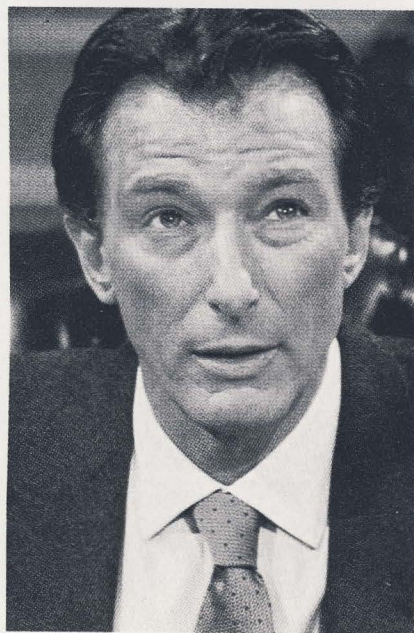
"In individual and organizational performance, most of us attempt to produce action by working in the after-the-fact realm of description, analysis, explanation, and prescription. Rarely do we consider that producing an action requires a whole different way of looking at it. If you want to have a dramatic impact on performance, you need access to the source of action."

A spectator can describe what I'm doing on the tennis court. He is living in the realm of evaluation and explanation—but I'm playing in the world of action. While there is a relationship between his description and what is occurring on the court, the two are clearly not the same.

We seldom think about this sort of distinction, but "failing to make this simple distinction can lead us to being satisfied with an explanation about action and may hide from our view the source of action," says Mr. Erhard.

EXECUTIVE TRAINING. Werner Erhard is not in the tennis-coaching business. Rather, he is in the business of coaching executives to empower themselves and those with whom they work. Interest on the part of some corporate leaders in the possibility of individual and organizational breakthroughs in performance has created a market for his services.

Some people discount the man as a rip-off artist; others regard him as a leading-edge thinker in the field of human performance and effectiveness. More than a half million people participated in his est training before he



retired it in 1984. The next year he introduced a new program for individuals—"the Forum," which has drawn tens of thousands of participants.

Now, working in a new organization devoted to management and organizations, he has captured serious attention among business and government officials. At the invitation of the Soviet Government and with the support of the U. S. State Dept., he has been working with Soviet managers and educational leaders since 1981. Consultants are listening to what he has to say, and some have joined ranks to help him advance a new model of what management is all about.

I have been exposed to some of his thinking through several of his affiliates before and since they joined his newest venture, Transformational Technologies Inc. (TTI). Fifty established consulting firms have now purchased franchises in the northern California-based network, which is dedicated to creating a new frame of reference for management thinking.

TTI affiliates have worked with such companies as GM, GE, Procter & Gamble, TRW, Lockheed, Weyerhaeuser, Manville Corp., Philip Morris, and the

Royal Bank of Canada. Several have placed their upper-level managers in TTI's Center for Management Design. At \$35,000 per manager, these corporations are paying to be trained and licensed to use the TTI technology inside their own organizations. The center alternates four two-week training sessions with on-site courses at the contracting organization for a year.

NEW POSSIBILITIES. Forget the man. Forget the organization around him. Explore a bit of the thinking that Werner Erhard and his colleagues are generating. Take a walk on the leading edge.

This thinking and language are difficult for the uninitiated to grasp. Even after many conversations over the last four years with his associates, attendance at a three-day workshop with an affiliate, and discussions with Mr. Erhard himself, I find it tough to convey the "message" to others. That makes it next to impossible to put it in writing, but I'll explore the possibility of expressing some of it in near-conventional terms without reducing its value.

The best way seems to present a few key distinctions in the TTI vocabulary:

"A manager gets paid for the future which isn't going to happen otherwise." Although pay may be based on past performance, what the company is really counting on is the manager's intervening in some way to change the future course of events. "Managers need powerful access to the future, and not the predictable future," says Mr. Erhard. "While most managers spend their time attempting to predict the future accurately—and while that's valuable—the best managers are able to generate a future which was not going to happen otherwise—that is, a future which was *not* predictable."

Managers tend to think of themselves as making choices among options available to them. Mr. Erhard makes a distinction between options

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and possibilities. An option, he says, is an alternative that you develop out of your past—out of experience. A possibility, on the other hand, comes from your commitment to the future. It comes at you. It does, however, have to be consistent with the past. In retrospect, it makes sense. Otherwise, it's just a pipe dream.

BUILDING A FUTURE. In training executives to generate the future, the TTI approach is to invite them to consider first that the future for which they get paid actually exists somewhere before it happens. It exists in conversation, Mr. Erhard suggests. The organization's future "exists in the conversation of its management—like a spoken vision, for example."

Outstanding managers can begin building the future through "conversation for possibility." This is where they really get leverage on people's actions. They begin to generate new futures. "Once a future has been created in a conversation for possibility, the resources of the organization and the reality with which it must deal begin to show up differently for people. They begin to see new ways to employ the resources and begin to see new openings in the reality," Mr. Erhard observes.

"An organization is a network of conversations." Management is wrestling with ways to define and improve "corporate culture." But what does the term refer to? Even the best answers have been a bit vague, and they have offered little help in coming to grips with culture. In Mr. Erhard's view, a better way to view culture is in terms of a network of conversations. By that he means the conversations in any organization about what is and is not being done, what should and shouldn't be done, what can and can't be done, what certain individuals are and what they are not, and what they should and shouldn't be. These conversations go on not only between individuals but

also in individuals' minds.

The mood or tone of these conversations and the underlying assessments and commitments add up to a picture of "reality," or what Mr. Erhard prefers to call "the clearing." This clearing determines how the world and their role in it shows up for people.

Thinking of the organization as a network of conversations gives the people in the organization a better handle for dealing with culture. "No one is left trying to manipulate moods. No one is left with the near-impossible task of imbuing people with new qualities. This takes the mystery out of 'corporate culture.' You have a ready way of accessing it. You can change the 'corporate culture' by accessing the conversation," says Mr. Erhard.

ALTERING REALITY. But how do we change a conversation or a network of conversations? A series of other Erhard distinctions suggests an approach.

"People's actions are always perfectly correlated to the way the world occurs for them." Even the manager who explains to people what needs to be done, describes what actions to take, and educates or trains them finds that, while performance improves, there's

no real breakthrough in their performance. That's because, according to the TTI view, a breakthrough comes only when working in that realm called "the source of action."

Mr. Erhard explains: "You can alter people's performance, if you've got enough time, with information and knowledge. You can do it, if you've got enough time, with experience or beating them over the head. But if you want a breakthrough in people's actions, you have got to alter the way the world occurs for them."

"See people as a conversation." For the most part, we manage people as if they were a collection of abilities, skills, and personality traits. According to the TTI technology, seeing people in this way leaves them and you with no powerful access to performance. To get at the source of action, TTI practitioners ask executives to regard people as conversations.

Since the way the world occurs for people is shaped by the conversations they are, seeing them as conversations gives us access to altering the way the world occurs for them. You may be a conversation for being uncoordinated or being graceful, for being untrainable or being open to new thoughts. Once you consider that you are a conversation, you have access to yourself. You can begin to change your reality, yourself, and your future by changing the conversation.

Mr. Erhard describes a demonstration with an executive participating in one of his workshops. "I asked for a person who was a bit uncoordinated to play a game of catch with me. The woman who volunteered was demonstrating that she was uncoordinated because, no matter how slowly I threw the ball to her, she usually missed it." Then he said, "Forget about catching the ball. We're going to play a new game and the object of it is for you to tell me which way the ball is spinning when it comes toward you."

"We're giving management something that empowers the skills they already have—not for incremental improvement but for breakthroughs."



She studied each toss carefully, calling out the direction of spin. In time, the others in the room became aware of what was happening. She was catching the ball every time even though it was being thrown faster and faster.

In the first round, suggests Mr. Erhard, she was a conversation for being uncoordinated and unathletic. Inside that conversation the ball occurred for her as tiny and moving at supersonic speeds. "Her actions were perfectly organized to deal with a ball that couldn't be caught because of its size and speed."

In the second round she was a conversation for being intelligent, perceptive, and articulate. Inside that conversation the ball occurred big enough and slow enough to handle; her actions were correlated to that, and she caught the ball every time.

ACTION'S CORE. Breakthrough results can be produced by working at the source of action. "However," Mr. Erhard cautions, "a manager has to be able to shift from one realm to another. If he's talking to the stockholders, he has to deal in the realm of explanation and understanding. But if he's working with employees to create breakthroughs in performance, he needs to operate in the realm of the source of action."

"There are times when speaking is action." In the TTI vocabulary there are several kinds of conversation. One is "conversation for action." It differs from much of our conversation which reports, describes, explains, or represents. "When you say 'chair,' a chair does not come out of your mouth. The word represents something. But when you say 'I promise,' what comes out of your mouth is a promise. To promise is to act. And a promise becomes the opening for action," says Mr. Erhard.

A request, likewise, is an action. Most executives talk about what ought to be done. But they fail to commit themselves by making a direct re-

quest—which would give the people with whom they work a clear opportunity to decline, make a counteroffer, or commit themselves by making a promise to produce what is requested.

"The unit of management work is conversation." When you are actually managing, you are in a conversation. The conversation may be a conversation with yourself, with those to whom you are accountable, or with those who report to you. You may be speaking or writing.

Most managers would say that their work is making decisions. But what is a decision? "A decision is a person saying something (to himself or to someone else). A decision is a person speaking as action in the form called 'declaration.'"

"In a meeting," says Mr. Erhard, "what you hear all too often is a lack of action. You hear situations and events being represented. You hear people describing and explaining, but you hear no action. You can impact that meeting by acting. You can move that meeting by making a request. You can move that meeting by making a promise. You can move that meeting by making a declaration.

"Speaking as action in the form of a

declaration actually establishes something. It establishes a future as a possibility to which you are committed."

NEW OPENNESS. TTI and its affiliates don't claim to have the ultimate answer to creating breakthroughs. They don't offer an alternative to what good managers are already doing because "the people we've had a chance to work with are good people. They are already producing results. We're giving management something that empowers the skills they already have—not for incremental improvement but for breakthroughs."

I have talked with several of these managers; they report improvements in output and quality that go well beyond any targets they would normally have set even in their highest hopes. A common denominator that I detect is a new openness to possibility that leads directly to seeing possibility in others and helping them go for it. This takes the activity far out of the self-help arena where Mr. Erhard's fame began.

New techniques and new technologies are offering far more potential than can be utilized by managers who simply extend the past rather than strive for breakthroughs. Unfortunately, says Mr. Erhard, most people in organizations are committed primarily to looking good "because the structure we give them makes it a better deal to be careful with your commitments and not produce an achievement than to be bold in your commitments and, maybe, fall a bit short of your vision—but still produce a breakthrough."

I am aware that Mr. Erhard and his associates may be creating just another system of thinking that comes and goes. On the other hand, I'll watch closely to see if they can lead a significant number of managers to the individual and organizational breakthroughs needed to keep up with the times. To use an expression they frequently employ—"consider the possibility." ■